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SENSITIVE  
SIPDIS  
DEPARTMENT FOR SCA/CEN  
USDA FOR OCRA/GOODFELLOW, OCBD/FREITAS  
ANKARA FOR FAS AG COUNSELOR

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SUBJECT: UZBEKISTAN: FOOD FOR PROGRESS JOINT WORKING GROUP MEETING

**¶11. (SBU) SUMMARY.** On February 9 the Regional Agricultural Counselor met with the Deputy Minister of Finance to review progress on projects implemented within the framework of Food for Progress (FFP). Although progress had been negligible over the 2006-09 period, it became apparent at this meeting that FFP may now have the personal attention of First Deputy Prime Minister and Minister of Finance Rustam Azimov. The Uzbek side presented nine new projects for approval, and the U.S. side presented three. As of now nearly 50 percent of FFP funds have been disbursed, and there is reason to believe that after years of stagnation, all FFP funds could finally be disbursed in 2010. END SUMMARY.

**¶12. (SBU)** On February 9 the Regional Agricultural Counselor and Emboffs met with Deputy Minister of Finance Tursunov and other officials under the auspices of the Joint Working Group (JWG) established under USDA's Food for Progress (FFP). The JWG normally meets twice a year to review disbursement of more than \$10 million USD of FFP funds left over from FY 2004. After several years of minimal responsiveness, it now appears that the GOU may be interested in disbursing the funds and finally closing the books on this program.

**¶13. (SBU)** At this meeting, the Uzbek side proposed new projects worth more than 4 billion soum (\$2.5 million USD), more than twice as much as approved in all of 2006, 2007, and 2008. These projects had been reviewed and approved personally by First DPM Azimov. The U.S. side submitted three new proposals prepared by USAID's Ag-Links program that were also received favorably but will require the identification of appropriate implementers. The new GOU projects include three irrigation-related projects, one food safety project, two air quality projects, and three projects initiated by Medical Teams International (MTI), a U.S. NGO. The MTI projects include microfinance, cervical cancer screening, and a rehabilitation program for disabled orphans. Ag Counselor requested more details about the food safety project to ensure that it will not duplicate or overlap with projects managed by the Defense Threat Reduction Agency (DTRA). The Uzbek side promised to provide a detailed proposal.

**¶14. (SBU)** The GOU also suggested canceling thirteen previously proposed projects ranging from small scale organic farming training to large scale water management projects. Some of the funds originally earmarked for these projects will be diverted to existing and new projects. Other funds will be used for projects not yet identified. Tursunov added that several ministries had been unable to present justifications for their projects to the Cabinet of Ministers to the annoyance of First DPM Azimov.

15. (SBU) Ag Counselor expressed his pleasure at the progress made since the last JWG meeting and noted that nearly half of the FFP funds had been allocated. Tursunov added that if the nine new Uzbek projects are adopted, 70 percent of the funds will have been disbursed. Ag Counselor proposed holding the next JWG session in May or June with hopes of agreeing to final disposition of all remaining funds at that time. Tursunov agreed in principle and promised to provide an updated list of proposals as soon as they are developed.

16. (SBU) Agreed minutes, when received from the Uzbek side, will be forwarded to Washington agencies.

COMMENT

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17. (SBU) This was by far the most productive meeting of the JWG since before 2006. After years of negligible progress that raised suspicions that the FFP funds had been stolen, it now appears that

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First DPM Azimov is taking an active role in pushing relevant ministries to develop programs and disburse the funds. With Azimov's apparent personal attention, there is reason to hope that it will be possible to disburse the remaining FFP funds.

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